

Message Text

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O R 081020Z JAN 77
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TO SECSTATE WASHDC IMMEDIATE 4761
INFO AMEMBASSY DAR ES SALAAM
AMEMBASSY GABORONE
AMEMBASSY LILONGWE
AMEMBASSY LONDON
AMEMBASSY MAPUTO
AMEMBASSY MASERU
AMEMBASSY PRETORIA

C O N F I D E N T I A L LUSAKA 0050

E.O. 11652: GDS
TAGS: PFOR PINT ECON ZA RH WA
SUBJ: PRESIDENT KAUNDA'S SPEECH OPENING PARLIAMENT JANUARY 7

BEGIN UNCLASSIFIED
SUMMARY. ADDRESSING THE OPENING OF PARLIAMENT JANUARY 7,
PRESIDENT KAUNDA CONCENTRATED ON ECONOMIC TOPICS. HE PLACED
MAJOR EMPHASIS ON THE IMPORTANCE OF AGRICULTURAL DEVELOPMENT,
ENCOURAGED PRIVATE DOMESTIC AND FOREIGN INVESTMENT, PROMISED AN
INVESTMENT CODE IN 1977 AND CRITICIZED HIGH OPEC OIL PRICES.
RISING PRICES, SHORTAGES, FOREIGN EXCHANGE STRINGENCIES WERE
NOTED AS PROBLEMS WHICH THE GOVT WILL CONTINUE TO COMBAT. THE
PRESIDENT MADE BRIEF REFERENCE TO THE POLITICAL SITUATION IN
SOUTHERN AFRICA WHERE ZAMBIA WILL CONTINUE ITS SUPPORT FOR
NATIONALIST MOVEMENTS. END SUMMARY

1. IN A COLORFUL CEREMONY JANUARY 7, PRES KAUNDA SPOKE FOR AN
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HOURLY AND A HALF AT THE OPENING OF THE FOURTH SESSION OF THE
THIRD NATIONAL ASSEMBLY. LABELLING THE OVERALL PERFORMANCE OF
THE ECONOMY IN 1976 ENCOURAGING, EVEN THOUGH BESET BY DIFFICULTIES,
PRES KAUNDA PRAISED THE PEASANTS AND COMMERCIAL FARMERS FOR THE
INCREASE IN AGRICULTURAL OUTPUT. THE PRESIDENT LOOKED TO 1977 AS
A YEAR WHICH WOULD BE DIFFICULT ALSO BUT URGED ALL ZAMBIANS TO
WORK HARD TO BUILD ON THE SUCCESSES WHICH HAVE BEEN ACHIEVED. HE

CALLED FOR A MAJOR NATIONAL EFFORT TO BE DIRECTED TO THE ENCOURAGEMENT OF AGRICULTURE. IN ORDER TO PROMOTE FURTHER EXPANSION OF AGRICULTURAL OUTPUT THE PRESIDENT PROMISED A CONTINUING REVIEW OF FARM PRICES SO THEY ARE BOTH FAIR AND ATTRACTIVE. FURTHER EFFORTS WILL BE MADE TO ASSURE THE TIMELY AVAILABILITY OF AGRICULTURAL INPUTS. NOTING THAT THE ACHIEVEMENT OF THE ZAMBIAN CLASSLESS SOCIETY COULD NOT EVEN BE ACHIEVED IN A GENERATION, THE PRESIDENT ASSURED LOCAL AND FOREIGN BUSINESSMEN THAT ZAMBIA WELCOMED THEIR INVESTMENT, EITHER ON THEIR OWN OR IN COLLABORATION WITH PARASTATAL ORGANIZATIONS. AN INVESTMENT CODE DELIMITING SECTORS OF THE ECONOMY WITH SCOPE FOR PRIVATE ENTREPRENEURS WILL BE COMPLETED IN 1977.

2. DISCUSSING WORLD INFLATION AND THE PROBLEMS IT PRODUCES FOR ZAMBIA, KAUNDA BLAMED THE FIVE-FOLD INCREASE IN THE PRICE OF OIL DICTATED BY OPEC. THE PRESIDENT SAID THAT THE DEC 1976 OIL PRICE INCREASE WOULD ASSURE THAT THE PROBLEMS OF INFLATION WOULD BE CONTINUING ONES. HE PROMISED THE REGISTER GRAVE CONCERN ABOUT OIL PRICES AT AN AFRO-ARAB SUMMIT DUE TO BE HELD IN CAIRO.

3. ISSUES OF CONCERN TO ALL ZAMBIANS INCLUDING RISING PRICES, PROFITEERING, SHORTAGES AND FOREIGN EXCHANGE CONSTRAINTS WERE ADDRESSED SYMPATHETICALLY AND REALISTICALLY BY THE PRESIDENT. HE DID NOT PROMISE IMMEDIATE SOLUTIONS SOME OF WHICH, LIKE INFLATION, WERE BEYOND ZAMBIA'S CONTROL, BUT UNDERTOOK A CONTINUATION AND INTENSIFICATION OF THE GOVT'S EFFORTS TO COPE WITH THEM IN WAYS TO BENEFIT THE PEOPLE.

4. RECALLING THE SITUATION IN 1964 WHEN THE ZAMBIAN PUBLIC SERVICE
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WAS EXPATRIATE IN STRUCTURE, INTEREST AND AIMS, KAUNDA NOTED THAT ZAMBIANIZATION HAS BEEN SUCCESSFUL. THE PRESIDENT SAID YOUNG ZAMBIANS IN THE PUBLIC SERVICE MUST PERFORM IN A WAY WHICH WOULD ELIMINATE ANY JUSTIFICATION FOR THE PRESENT CAMPAIGN OF VILLIFICATION AND RIDICULE OF THE ADMINISTRATION.

5. AT THE END OF HIS SPEECH, KAUNDA PLEDGED A CONTINUATION OF ZAMBIA'S SUPPORT FOR NATIONALIST LIBERATION MOVEMENTS. HE SAID THAT THE GENEVA CONFERENCE, WHICH CAME ABOUT BECAUSE NATIONALIST MILITARY VICTORIES SPURRED VIGOROUS US AND UK INITIATIVES TO SEEK A SOLUTION, IS BUT ANOTHER FRONT IN THE LIBERATION WAR. SWAPO TOO WILL CONTINUE TO RECEIVE ZAMBIA SUPPORT AND THE EFFORTS OF THE SOUTH AFRICAN GOVT TO IMPOSE A PUPPET REGIME IN NAMIBIA WILL BE RESISTED BY AFRICA AND OTHER PROGRESSIVE STATES. THE PRESIDENT OBSERVED THAT, AS HE HAD SAID BEFORE, AFRICAN NATIONALISM IS SWEEPING SOUTHERN AFRICA REDUCING TO RUBBLE THE COLONIAL AND RACIST STRUCTURES IN ITS PATH. BECAUSE OF THIS HE EXPRESSED GREAT CONFIDENCE IN THE FUTURE OF SOUTHERN AFRICA. END UNCLASSIFIED
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6. COMMENT: THE PRESIDENT'S SPEECH OPENING PARLIAMENT IS TRADITIONALLY THE OCCASION FOR MAJOR POLICY STATEMENTS. IT WAS THE EMBASSY'S UNDERSTANDING THAT THE EARLY DRAFTS OF THE SPEECH CONTAINED FAR REACHING PROPOSALS TO RELAX GOVT CONTROLS OF PARASTATAL AND PRIVATE ENTERPRISE AND TO PERMIT GREATER PLAY OF MARKET FORCES. THIS WAS SUBSEQUENTLY WATERED DOWN BY SOME OF THE PRESIDENT'S CLOSEST ADVISERS, INCLUDING MARK CHONA, WHO FELT STRONGLY THAT THE PRINCIPLES OF GOVT CONTROL AND THE EFFORT TO CREATE A MORE EGALITARIAN SOCIETY SHOULD BE MAINTAINED. THE SPEECH WHICH EMERGED APPEARS TO BE A COMPROMISE BETWEEN THE TWO. IT CONTAINS NO DRAMATIC PLAN TO RETURN TO ECONOMIC LIBERALISM BUT IT DOES PROMISE A SOMEWHAT MORE REALISTIC ATTITUDE TOWARDS A FREER MARKET ECONOMY ENCOURAGING AGRICULTURAL DEVELOPMENT AND PRIVATE INVESTMENT. THE CRITICISM OF THE OPEC PRICE RISE IS THE STRONGEST TO DATE AND OFFERS THE PROSPECT THAT ZAMBIA WILL PLAY A LARGER ROLE IN BRINGING PRESSURE ON OPEC MEMBERS AGAINST
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FURTHER INCREASES. COMMENTS ON FOREIGN POLICY COVERED NO NEW GROUND AND SEEMED DESIGNED SIMPLY FOR THE RECORDS.

7. FULL TEXT BEING POUCHED. END CONFIDENTIAL LOW

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Message Attributes

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TAGS: PFOR, PINT, ECON, ZA, RH, WA, (KAUNDA, KENNETH DAVID)
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